

BEFORE THE
BOARD OF ACCOUNTANCY
STATE OF CALIFORNIA

In the Matter of the Accusation Against:

WENDY JOANNE ZINN
23236 Lyons Avenue, Suite 215
Newhall, CA 91321

Certified Public Accountant Certificate
No. 64931,

Respondent.

Case No.: AC-2005-24

OAH No.: L2005080583

DECISION

The attached Proposed Decision of the Administrative Law Judge is hereby adopted by the Board of Accountancy as its Decision in the above-entitled matter.

This Decision shall become effective October 20, 2006.

IT IS SO ORDERED September 20, 2006.

BOARD OF ACCOUNTANCY
STATE OF CALIFORNIA

By Ronald Blanc

rfm

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In the Matter of the Accusation Against:

WENDY JOANNE ZINN
23236 Lyons Avenue, Suite 215
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Certified Public Accountant Certificate No.
64931

Respondent.

Case No. AC-2005-24

OAH No. L2005080583

PROPOSED DECISION

This matter was heard by Mark E. Harman, Administrative Law Judge of the Office of Administrative Hearings, in Los Angeles, California, on June 6, 2006.

Carol Sigmann (Complainant) was represented by Michel W. Valentine, Deputy Attorney General. Wendy Joanne Zinn (Respondent) was represented by Randolph L. Neel, Attorney at Law.

The parties stipulated to the truth of all factual allegations in the Accusation, and agreed that Complainant need not call any witnesses to prove the charges. Respondent offered evidence relating to the penalty to be imposed. Oral and documentary evidence was received. The record was closed, and the matter was submitted for decision on June 6, 2006.

FACTUAL FINDINGS

1. Complainant brought the Accusation solely in her official capacity as the Executive Officer of the California Board of Accountancy (Board), Department of Consumer Affairs, on July 6, 2005.

2. On August 6, 1993, the Board issued Certified Public Accountant (CPA) Certificate No. 64931 to Respondent. During the period March 1, 2002, through February 27, 2003, Respondent's Certificate had expired and was not valid because Respondent had failed to pay the renewal fee or submit a declaration of compliance with the continuing education requirement. In February 2003, Respondent's Certificate was renewed through February 2004. During the period March 1, 2004, through April 20, 2005, Respondent's Certificate again had expired and was not valid because Respondent had failed to pay the

renewal fee or submit a declaration of compliance with the continuing education requirement.

Respondent practiced without a valid Certificate, and misrepresented her practice to the Board

3. On March 12, 2002, Respondent signed an Application for Automatic Extension of Time to File Corporation Income Tax return for a client, using the title of CPA, even though Respondent's CPA Certificate had expired and was not valid. The Board's staff was made aware of these circumstances and, on August 14, 2002, it sent a letter to Respondent requesting that she provide specific information concerning her public accountancy practice, including a description of her employment and the services she provided for clients, copies of the completion forms for continuing education courses, and a copy of a tax return with client transmittal letter dated between March 1, 2002, and August 13, 2002. Respondent failed to respond to this inquiry. Respondent eventually prepared and filed her 2002 renewal form, which was dual dated September 15, 2002, and February 28, 2003, but it was not received by the Board or approved until February 28, 2003.

4. In March 2003, Respondent wrote a letter to the Board in which she claimed she had not been aware her license¹ had expired, and that the Board ought to have received her 2002 renewal form in September 2002. Contemporaneously, on Respondent's 2002 renewal form, she falsely indicated she had not practiced public accountancy during the period that her license was expired. In a March 2003 telephone conversation with a Board investigator, Respondent said she had not been preparing any financial statements, but had been doing bookkeeping for charter schools and preparing tax returns. Respondent has stipulated that she made false statements on her 2002 renewal form concerning whether she was practicing public accountancy during the period her license was expired and invalid.

5. Respondent's Certificate expired again in February 28, 2004, and was not renewed until April 20, 2005. During this period, while her Certificate was expired and invalid, she continued to practice public accountancy as a CPA.

Respondent made false statements regarding the continuing education requirement

6. In her 2002 renewal, Respondent reported she had completed 72 hours of continuing education between March 1, 2000, and February 28, 2002, and an additional eight hours on April 12, 2002. An investigator went to Respondent's office on November 3, 2004, and requested the certificates of completion to support her claim of 72 hours. Respondent only provided verification of 24 hours of continuing education courses for the period. She provided certificates for 64 additional hours completed between April 8, 2002, and September 13, 2002. She also provided certificates of completion for 60 hours completed between May 12, 2004, and September 27, 2004. Respondent has stipulated that she failed

¹ Any reference to Respondent's "license" shall also include Respondent's "Certificate" as a certified public accountant issued by the Board.

to complete the coursework to satisfy her continuing education requirements. In her 2002 renewal, Respondent falsely represented the number of completed hours.

Failure to cooperate with the Board's investigation and failure to register a practice name

7. Since Respondent had never responded to the Board's August 2002 inquiry letter, the Board sent several follow-up letters to Respondent in 2003, but she never responded to these letters, either. The Board sent several letters to Respondent in 2004, requesting information about her practice during the second period in which her Certificate had expired and was invalid. Respondent failed to respond to these letters, as well. Respondent also failed to appear at the Board's offices for a scheduled meeting with an investigator in October 2004. Further, Respondent practiced accountancy under the name of "Zinn & Associates, An Accountancy Corporation," a name not registered with the Board.

Mitigation and rehabilitation evidence

8a. Respondent testified at the administrative hearing about several tragic events she has experienced over the past seven years. Her father was very ill in the late 1990s, and she traveled frequently to San Diego to tend to his health and welfare. In April 2002, her husband suffered a heart attack, and Respondent took over the operation of his real estate management business. One of Respondent's sons was using drugs and got arrested in 2003; Respondent became involved in her son's treatment and anger management counseling. (Her son is recovering well and is graduating with straight A's from high school.)

8b. In 2003, Respondent's husband's health again began deteriorating, and he had heart bypass surgery in April 2005. With the income stream from his business greatly diminished, Respondent's financial situation had deteriorated to where she was struggling to keep up with personal and business financial obligations. Respondent's younger son died tragically in March 2006. Respondent currently is going through a divorce.

9. Respondent admits that she did not focus on her obligations to comply with the continuing education requirements or to pay license renewal fees. She had a poor system for ensuring compliance, and she permitted other priorities, as well as external pressures and financial constraints, to control the situation. She thinks these things are behind her. She believes she has taken the necessary steps so that she will not get into this situation again. For example, she is no longer responsible for managing her husband's business. She has improved her financial situation by moving her office location and lowering the rent. She has reduced the number of pro bono clients and spends more time training office staff. She has delegated office billing, which is now being performed in a timely manner.

Complainant's Costs

10. Complainant incurred its own investigation costs of \$4,491.90 and an additional \$9,137.00 for legal services provided by the Department of Justice, for a total of \$13,628.90. Whereas Respondent was responsible for the high cost of the Board's lengthy investigation into

her misconduct, the number of hours spent by the Attorney General to enforce this case was not adequately documented or justified. Therefore, the reasonable costs attributable to the services of the Department of Justice are reduced to \$4,526, for a total of \$9,017.90.

LEGAL CONCLUSIONS

Based upon the foregoing factual findings, the Administrative Law Judge makes the following legal conclusions:

1. Business and Professions Code² section 5100 authorizes the Board, after notice and hearing, to suspend or revoke any permit or certificate for unprofessional conduct, which may include but is not limited to, the following grounds:

(b) The person has made false statements or omissions in any application for a license, or to obtain a certificate.

(c) The person has engaged in "[d]ishonesty, fraud, gross negligence, or repeated negligent acts committed in the same or different engagements, for the same or different clients, or any combination of engagements or clients, each resulting in a violation of applicable professional standards that indicate a lack of competency in the practice of public accountancy or in the performance of the bookkeeping operations described in Section 5052."

(g) The person has engaged in willful violations of Chapter 1 of Division 3 of the Business and Professions Code, relating to public accountancy,³ and the regulations promulgated thereunder.

2. Respondent has committed numerous violations of the statutes and regulations regulating public accountancy in this state, as follows:

a. Respondent performed public accountancy services when her license was in an expired status, from March 1, 2002, through February 27, 2003 (12 months), and from March 1, 2004, through April 20, 2005 (over 13 months), in violation of section 5050, subdivision (a);⁴

² All statutory references are to the Business and Professions Code, unless specified otherwise.

³ (Bus. & Prof. Code § 5000 et seq.)

⁴ Section 5050, subdivision (a), provides in pertinent part: "No person shall engage in the practice of public accountancy in this state unless such person is the holder of a valid permit to practice public accountancy issued by the board . . ."

b. Respondent practiced accountancy under the name of "Zinn & Associates, An Accountancy Corporation," a name not registered with the Board, in violation of section 5060;⁵

c. Respondent failed to respond to the Board's inquiries regarding her employment activities, and obstructed the Board's inquiry, in violation of California Code of Regulations, title 16, section 52, subdivisions (a) and (d); and

d. In two instances, prior to submitting her renewal form to the Board in 2002 and in 2004, Respondent failed to complete the required number of hours of coursework for satisfying the continuing education requirements, in violation of California Code of Regulations, title 16, section 87, subdivision (a).

3. Cause exists to suspend or revoke Respondent's certificate as a certified public accountant pursuant to section 5100, subdivision (g), by reasons of factual finding numbers 2 through 7, and legal conclusion number 2.

4. Cause exists to suspend or revoke Respondent's certificate as a certified public accountant pursuant to section 5100, subdivision (b), by reason of factual finding numbers 4 and 6. Respondent falsely stated in her 2002 renewal form that she was not engaged in public accountancy during the period her license was expired. She also falsely represented the number of hours of continuing education coursework that she had completed

5. Cause does not exist to suspend or revoke Respondent's certificate as a certified public accountant pursuant to section 5100, subdivision (c), by reason of factual finding numbers 5 and 6. There was no evidence that, by holding herself out to the public as a CPA, and performing public accounting services, while her license was in an expired

⁵ Section 5060 provides as follows:

(a) No person or firm may practice public accountancy under any name which is false or misleading.

(b) No person or firm may practice public accountancy under any name other than the name under which the person or firm holds a valid permit to practice issued by the board.

(c) Notwithstanding subdivision (b), a sole proprietor may practice under a name other than the name set forth on his or her permit to practice, provided the name is registered by the Board, is in good standing, and complies with the requirements of subdivision (a).

(d) The board may adopt regulations to implement, interpret, and make specific the provisions of this section including, but not limited to, regulations designating particular forms of names as being false or misleading.

status, Respondent intentionally misled her clients to their detriment, acted incompetently, or violated an applicable standard of professional conduct.

6. Respondent has presented substantial evidence in mitigation of her misconduct, as well as evidence of her rehabilitation. Factual finding numbers 8 and 9.

7. Cause exists pursuant to section 5107, subdivision (a), to order Respondent to reimburse the Board the sum of \$4,491.90 as its reasonable costs of investigation, and \$4,526, as the reasonable costs attributable to the services of the Department of Justice, for a total of \$9,017.90. Factual finding number 10; legal conclusion numbers 1 through 6.

ORDER

WHEREFORE, THE FOLLOWING ORDER is hereby made:

Certified Public Accountant License No. 64931 issued to Respondent, Wendy Joanne Zinn, is revoked pursuant to legal conclusion numbers 1 through 6 separately and for all of them. However, revocation is stayed and Respondent is placed on probation for two years upon the following terms and conditions:

1. Actual Suspension:

Certified Public Accountant License No. 64931 issued to Respondent, is suspended for 90 days. The term of Respondent's suspension shall begin on the effective date of this decision and order and shall continue day-to-day thereafter for 60 days. The remainder of the term of suspension, or 30 days, may be carried out at such later time(s) as is agreed to by the Board, but must be completed no later than April 15, 2007. During the period(s) of suspension, Respondent shall engage in no activities for which certification as a Certified Public Accountant or Public Accountant is required as described in Business and Professions Code, Division 3, Chapter 1, Section 5051.

2. Obey All Laws

Respondent shall obey all federal, California, and other states' and local laws, including those rules relating to the practice of public accountancy in California.

3. Submit Written Reports

Respondent shall submit, within 10 days of completion of the quarter, beginning with the first quarter following the effective date of the Decision, written reports to the Board on a form obtained from the Board. Respondent shall submit, under penalty of perjury, such other written reports, declarations, and verification of actions as are required. These declarations shall contain statements relative to Respondent's compliance with all the terms and conditions of probation. Respondent

shall immediately execute all release of information forms as may be required by the Board or its representatives.

4. Personal Appearances

Respondent shall, during the period of probation, appear in person at interviews/meetings as directed by the Board or its designated representatives, provided such notification is accomplished in a timely manner.

5. Comply With Probation

Respondent shall fully comply with the terms and conditions of the probation imposed by the Board and shall cooperate fully with representatives of the California Board of Accountancy in its monitoring and investigation of the Respondent's compliance with probation terms and conditions.

6. Practice Investigation

Respondent shall be subject to, and shall permit, a practice investigation of the Respondent's professional practice. Such a practice investigation shall be conducted by representatives of the Board, provided notification of such review is accomplished in a timely manner.

7. Comply With Citations

Respondent shall comply with all final orders resulting from citations issued by the California Board of Accountancy.

8. Tolling of Probation for Out-of-State Residence/Practice

In the event Respondent should leave California to reside or practice outside this state, Respondent must notify the Board in writing of the dates of departure and return. Periods of non-California residency or practice outside the state shall not apply to reduction of the probationary period, or of any suspension. No obligation imposed herein, including requirements to file written reports, reimburse the Board costs, and make restitution to consumers, shall be suspended or otherwise affected by such periods of out-of-state residency or practice except at the written direction of the Board.

9. Violation of Probation

If Respondent violates probation in any respect, the Board, after giving Respondent notice and an opportunity to be heard, may revoke probation and carry out the disciplinary order that was stayed. If an accusation or a petition to revoke probation is filed against Respondent during probation, the Board shall have

continuing jurisdiction until the matter is final, and the period of probation shall be extended until the matter is final.

10. Completion of Probation

Upon successful completion of probation, Respondent's license will be fully restored.

11. Ethics Course/Examination

Respondent shall take and pass with a score of 90 percent or better a Board approved ethics examination within one year of the effective date of the Board's final decision.

If Respondent fails to pass said examination within the time period provided or within two attempts, Respondent shall so notify the Board and shall cease practice until Respondent takes and successfully passes said exam, has submitted proof of same to the Board, and has been notified by the Board that she may resume practice. Failure to pass the required examination no later than 100 days prior to the termination of probation shall constitute a violation of probation.

Notwithstanding any other provision of this probation, failure to take and pass this examination within five years of the effective date of this order constitutes a separate cause for discipline of Respondent's license.

12. Continuing Education Courses

Respondent shall complete professional education courses as specified by the Board or its designee at the time of Respondent's first probation appearance. The professional education courses shall be completed within a period of time designated and specified in writing by the Board or its designee, which time frame shall be incorporated as a condition of this probation. This shall not be in addition to continuing education requirements for relicensing.

Failure to satisfactorily complete the required courses as scheduled or failure to complete same no later than 100 days prior to the termination of probation shall constitute a violation of probation.

13. Active License Status

Respondent shall at all times maintain an active license status with the Board, including during any period of suspension. If the license is expired at the time the Board's decision becomes effective, the license must be renewed within 30 days of the effective date of the decision.

14. Cost Reimbursement

Respondent shall reimburse the Board \$9,017.90 for its investigation and prosecution costs. The payment shall be made in equal monthly payments of \$500 each, with the first installment due on the 30th day of the first full month after the effective date of the Board's final decision, and continuing thereafter each month for 17 additional monthly payments, the final payment being due six months before probation is scheduled to terminate.

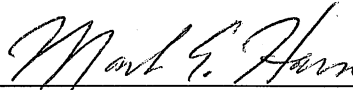
15. Relinquish Certificate

Respondent shall relinquish and shall forward or deliver the certificate or permit to practice to the Board office within 10 days of the effective date of this decision and order, or as otherwise directed by the Board.

16. Notification to Clients/Cessation of Practice

In orders that provide for a cessation or suspension of practice, Respondent shall comply with procedures provided by the California Board of Accountancy or its designee regarding notification to, and management of, clients.

DATED: June 29, 2006



MARK E. HARMAN

Administrative Law Judge
Office of Administrative Hearings

1 BILL LOCKYER, Attorney General
of the State of California
2 MICHEL W. VALENTINE, State Bar No. 153078
Deputy Attorney General
3 California Department of Justice
300 So. Spring Street, Suite 1702
4 Los Angeles, CA 90013
Telephone: (213) 897-1034
5 Facsimile: (213) 897-2804
6 Attorneys for Complainant
7

8 **BEFORE THE**
CALIFORNIA BOARD OF ACCOUNTANCY
9 **DEPARTMENT OF CONSUMER AFFAIRS**
10 **STATE OF CALIFORNIA**

11 In the Matter of the Accusation Against:

Case No. AC-2005-24

12 WENDY JOANNE ZINN
23236 Lyons Avenue, Suite 215
13 Newhall, CA 91321

A C C U S A T I O N

14 Certified Public Accountant Certificate No.
CPA 64931

15 Respondent.
16

17 Complainant alleges:

18 PARTIES

19 1. Carol Sigmann (Complainant) brings this Accusation solely in her official
20 capacity as the Executive Officer of the California Board of Accountancy, Department of
21 Consumer Affairs.

22 2. On or about August 6, 1993, the California Board of Accountancy issued
23 Certified Public Accountant Certificate CPA No. 64931 to Wendy Joanne Zinn (Respondent).
24 The Certificate was in an active status for the period August 6, 1993 through February 28, 1994.
25 The Certificate was expired and not valid during the period March 1, 1994 through May 17,
26 1994, for the following reasons:

27 a) The renewal fee required by California Business and Professions Code
28 section 5070.5 was not paid; and

1 b) Declaration of compliance with continuing education requirements was
2 not submitted.

3 Effective May 18, 1994, the certificate was renewed through February 29, 1996,
4 upon receipt of the renewal fee and declaration of compliance with continuing education
5 requirements ("active"). The certificate was expired and was not valid during the period March
6 1, 1996 through April 6, 1997, for the reasons stated in paragraph 2, subparagraphs (a) and (b).

7 Effective April 7, 1997, the certificate was renewed through February 28, 1998,
8 upon receipt of the renewal fee and declaration of compliance with continuing education
9 requirements ("active"). The certificate was expired and was not valid during the period March
10 1, 1998 through October 22, 1998, for the reasons stated in paragraph 2, subparagraphs (a) and
11 (b).

12 Effective October 23, 1998, the certificate was renewed through February 29,
13 2000, upon receipt of the renewal fee and declaration of compliance with continuing education
14 requirements ("active"). The certificate was expired and was not valid during the period March
15 1, 2000 through May 7, 2000, for the reasons stated in paragraph 2, subparagraphs (a) and (b).

16 Effective May 8, 2000, the certificate was renewed through February 28, 2002,
17 upon receipt of the renewal fee and declaration of compliance with continuing education
18 requirements ("active"). The certificate was expired and was not valid during the period March
19 1, 2002 through February 27, 2003, for the reasons stated in paragraph 2, subparagraphs (a) and
20 (b).

21 Effective February 28, 2003, the certificate was renewed through February 29,
22 2004, upon receipt of the renewal fee and declaration of compliance with continuing education
23 requirements ("active"). The certificate was expired and was not valid during the period March
24 1, 2004 through April 20, 2005, for the reasons stated in paragraph 2, subparagraphs (a) and (b).

25 Effective April 21, 2005, the certificate has been renewed through February 28,
26 2006, upon receipt of the renewal fee and declaration of compliance with continuing education
27 requirements ("active").

28 3. On or about March 16, 2001, Respondent was issued Fictitious Name

1 Permit (FNP) No. 1102 for Zinn & Associates, by the State of California. A fictitious name
2 permit allows a sole practitioner to practice under a name other than the name set forth on his or
3 her CPA certificate, provided the certificate is in good standing.

4 JURISDICTION

5 4. This Accusation is brought before the Board, under the authority of the
6 following laws. All section references are to the Business and Professions Code unless otherwise
7 indicated.

8 5. Section 5100 states, in pertinent part:

9 "After notice and hearing the board may revoke, suspend, or refuse to renew any
10 permit or certificate granted under Article 4 (commencing with Section 5070) and Article 5
11 (commencing with Section 5080), or may censure the holder of that permit or certificate for
12 unprofessional conduct that includes, but is not limited to, one or any combination of the
13 following causes:

14 ...

15 "(b) A violation of Section 478, 498, or 499 dealing with false statements or
16 omissions in the application for a license, in obtaining a certificate as a certified public
17 accountant, in obtaining registration under this chapter, or in obtaining a permit to practice public
18 accountancy under this chapter.

19 "(c) Dishonesty, fraud, gross negligence, or repeated negligent acts committed in
20 the same or different engagements, for the same or different clients, or any combination of
21 engagements or clients, each resulting in a violation of applicable professional standards that
22 indicate a lack of competency in the practice of public accountancy or in the performance of the
23 bookkeeping operations described in Section 5052.

24 ...

25 "(g) Willful violation of this chapter or any rule or regulation promulgated by the
26 board under the authority granted under this chapter."

27 6. Section 5050, subdivision (a), states:

28 "No person shall engage in the practice of public accountancy in this state unless

1 such person is the holder of a valid permit to practice public accountancy issued by the board;
2 provided, however, that nothing in this chapter shall prohibit a certified public accountant or a
3 public accountant of another state, or any accountant of a foreign country lawfully practicing
4 therein, from temporarily practicing in this state on professional business incident to his regular
5 practice in another state or country.”

6 7. Section 5060 states, in pertinent part:

7 “(a) No person or firm may practice public accountancy under any name which is
8 false or misleading.

9 “(b) No person or firm may practice public accountancy under any name other
10 than the name under which the person or firm holds a valid permit to practice issued by the
11 board.

12 “(c) Notwithstanding subdivision (b), a sole proprietor may practice under a name
13 other than the name set forth on his or her permit to practice, provided the name is registered by
14 the board, is in good standing, and complies with the requirements of subdivision (a).”

15 8. Section 5109 states, in pertinent part:

16 “The expiration, cancellation, forfeiture, or suspension of a license, practice,
17 privilege, or other authority to practice public accountancy by operation of law or by order or
18 decision of the board or a court of law, or the voluntary surrender of a license by a licensee shall
19 not deprive the board of jurisdiction to commence or proceed with any investigation of or action
20 or disciplinary proceeding against the licensee, or to render a decision suspending or revoking the
21 license.”

22 9. California Code of Regulations, title 16, section 52, states:

23 “(a) A licensee shall respond to any inquiry by the Board or its appointed
24 representatives within 30 days. The response shall include making available all files, working
25 papers and other documents requested.

26 . . .

27 “(d) A licensee shall provide true and accurate information and responses to
28 questions, subpoenas, interrogatories or other requests for information or documents and not take

1 any action to obstruct any Board inquiry, investigation, hearing or proceeding.”

2 10. California Code of Regulations, title 16, section 87, subdivision (a), states:

3 “80 Hours.

4 “As a condition of active status license renewal, a licensee shall complete at least
5 80 hours of qualifying continuing education as described in Section 88 in the two-year period
6 immediately preceding license expiration, and meet the reporting requirements specified in
7 subsection (a) of Section 89. A licensee engaged in the practice of public accountancy as defined
8 in Section 5051 of the Business and Professions Code is required to hold a license in active
9 status. No carryover of continuing education is permitted from one two-year license renewal
10 period to another.”

11 11. Section 5107, subdivision (a), states, in pertinent part:

12 "The executive officer of the board may request the administrative law judge, as
13 part of the proposed decision in a disciplinary proceeding, to direct any holder of a permit or
14 certificate found to have committed a violation or violations of this chapter, to pay to the board
15 all reasonable costs of investigation and prosecution of the case, including, but not limited to,
16 attorneys' fees. The board shall not recover costs incurred at the administrative hearing."

17 FACTUAL BACKGROUND

18 12. On August 8, 2002, the Board received a complaint alleging Respondent
19 failed to provide original documentation and work papers after request from a successor
20 accountant. This complaint was subsequently withdrawn, but the successor accountant provided
21 a copy of an Application for Automatic Extension of Time to File Corporation Income Tax
22 Return for David Loeb, Inc., which was signed by Respondent, using the title of CPA, and dated
23 March 12, 2002. Respondent's license was expired from March 1, 2002 through February 27,
24 2003, and therefore she had no valid certified public accountant certificate on March 12, 2002.

25 13. On or about August 14, 2002, the Board sent an enforcement contact
26 letter, via certified and regular mail, to Respondent at her address of record with the Board,
27 which was and is 23236 Lyons Avenue, #216, Santa Clarita, CA 91321-2635, advising
28 Respondent of the complaint and requesting that she provide information to the Board, including

1 the following:

2 a. A description of her employment from March 1, 2002 through the date of
3 her response.

4 b. A description of the types of services she performed for clients, if any,
5 from March 1, 2002 through the date of her response.

6 c. Copies of completion forms for the continuing professional education
7 taken between March 1, 2000 through February 28, 2002.

8 d. A copy of a tax return with client transmittal letter dated between March 1,
9 2002 and August 13, 2002.

10 e. Verification of her address of record, and the date it became her address of
11 record.

12 14. On or about September 18, 2002 and October 16, 2002, the Board's
13 Investigative CPA, Paul Fisher (Investigator Fisher), telephoned Respondent and left messages
14 for Respondent to telephone him regarding the Board's August 14, 2002 letter.

15 15. On or about February 5, 2003, a follow-up letter was sent to Respondent,
16 via certified mail and regular mail. On or about March 10, 2003, the letter sent via certified mail
17 was returned to the Board as unclaimed.

18 16. On or about March 3, 2003, the Board received a letter from Respondent
19 advising, among other things, that she was not aware her license was expired and that the Board
20 ought to have received her renewal in September 2002.

21 17. On or about March 3, 2003, Investigator Fisher telephoned Respondent.
22 Respondent advised Mr. Fisher she had not been preparing any financial statements, but had been
23 doing bookkeeping for charter schools and had also been preparing tax returns. Investigator
24 Fisher requested that Respondent provide a written response to the Board's August 14, 2002
25 letter regarding her practice activities. No written response was received from Respondent.

26 18. On or about February 28, 2003, Respondent renewed her certified public
27 accountant certificate. Respondent marked on her renewal that she was not currently practicing
28 public accountancy. The continuing education reported with Respondent's renewal form showed

1 72 hours of continuing education from March 1, 2000 through February 28, 2002, and an
2 additional 8 hours of continuing education completed on April 12, 2002.

3 19. On or about August 8, 2003, another follow-up letter was sent by the
4 Board to Respondent via certified and regular mail. The letter advised Respondent the issue of
5 her practicing with an expired license in March 2002 remained unresolved. The letter asked
6 Respondent for information regarding her practice activities during March 1, 2002 through
7 February 27, 2003, and requested a copy of a tax return and client transmittal letter, if any,
8 prepared during the time period from March 1, 2002 through February 27, 2003. The letter also
9 requested copies of certificates of completion for the continuing education claimed on her
10 February 28, 2002, renewal form. "L. Chesler" signed for receipt of the August 8, 2003 letter.
11 No date of receipt was listed. No response was received from Respondent.

12 20. On or about February 11, 2004, another follow-up letter was sent by the
13 Board to Respondent via certified and regular mail, requesting the same information that was
14 requested in the August 8, 2003 letter. The certified letter was delivered on February 18, 2004,
15 and was signed for by an unreadable signature. No response was received from Respondent.

16 21. On or about February 13, 2004, Respondent returned Investigator Fisher's
17 telephone call on February 13, 2004. Respondent advised Investigator Fisher she thought she
18 had already sent information to him. He advised Respondent that he had not received anything.
19 Respondent stated she would send everything requested, although she was going to be out of
20 town for a week and may not send it until then. No response was received from Respondent.

21 22. On or about March 1, 2004, Respondent's license expired.

22 23. On or about April 19, 2004, Investigator Fisher telephoned Respondent
23 and left a message requesting that she return his call.

24 24. On or about April 19, 2004, Investigator Fisher sent Respondent a letter
25 via certified and regular mail. The letter stated that Investigator Fisher had not received a
26 response to his February 11, 2004 letter, and that Board records show Respondent's license
27 became delinquent on March 1, 2004 and was currently expired. The letter advised that without
28 a current active license Respondent did not have practice rights and must cease and desist from

1 the practice of public accountancy. The letter also requested Respondent to provide the
2 following:

3 a. A description of her employment from March 1, 2002 through February
4 27, 2003, and also from March 1, 2004 through the date of her response.

5 b. A description of the types of services she performed for her clients, if any,
6 from March 1, 2002 through February 27, 2003, and also from March 1, 2004 through the date of
7 her response.

8 c. Copies of completion forms for the continuing education claimed on her
9 February 28, 2002 renewal form.

10 d. Copies of completion forms for continuing education taken from March 1,
11 2002 through February 29, 2004.

12 e. A copy of a tax return, if any were prepared, with client transmittal letter
13 dated between March 1, 2002 and February 27, 2003.

14 f. A copy of a tax return, if any were prepared, with client transmittal letter
15 dated between March 1, 2004 and April 15, 2004.

16 g. Information regarding any other license or certificate she has which allows
17 her to prepare tax returns in California.

18 25. The certified copy of the April 19, 2004, letter was delivered on April 21,
19 2004 and was signed for by Laurie Manclow. No response was received from Respondent.

20 26. On or about June 2, 2004, Investigator Fisher telephoned Respondent. The
21 secretary answered the telephone "Zinn and Associates." Investigator Fisher spoke with
22 Respondent. Respondent stated she thought she was done with the investigation. Investigator
23 Fisher advised her that her license had expired and that she needed to shut down her office.
24 Respondent stated that she does not have all of her continuing education completed. Investigator
25 Fisher reviewed his April 19, 2004 letter with Respondent over the telephone, and faxed her a
26 copy of the letter. No response was received from Respondent.

27 27. On or about July 21, 2004, Investigator Fisher again telephoned
28 Respondent, and her secretary answered the telephone "Zinn and Associates." Investigator

1 Fisher left a message for Respondent to call him.

2 28. On or about September 15, 2004, Investigator Fisher telephoned
3 Respondent and left a message for her to call regarding setting up an office visit.

4 29. On or about September 24, 2004, Respondent telephoned Investigator
5 Fisher and left a voice mail message that she would be in Sacramento on October 6, 7, and 8,
6 2004, and for Investigator Fisher to call her office to set up a time for her to come to the Board.

7 30. Respondent was unable to come to Sacramento as planned and on or about
8 October 12, 2004, Investigator Fisher called Respondent's office to set up a time for Respondent
9 to come to the Board's office on October 26, 2004 at 2:00 p.m. Respondent failed to appear at
10 the scheduled October 26, 2004 appointment.

11 31. On or about November 3, 2004, Board Investigator John O'Connor
12 (Investigator O'Connor) went to Respondent's office. Investigator O'Connor met with
13 Respondent and gathered evidence of her practicing as a CPA, as follows:

14 a. Her business card in the reception area states "Zinn & Associates,
15 Certified Public Accountants" and "Wendy J. Zinn, CPA."

16 b. Investigator O'Connor photographed the door to Respondent's office
17 which states "Zinn & Associates, Wendy J. Zinn, CPA."

18 c. A certificate from the California Society of Certified Public Accountants
19 with Respondent's name on it is hanging on the wall at Respondent's business.

20 d. The building directory shows "Zinn & Associates."

21 e. A picture of the sign outside the office building, high in the air shows
22 "Zinn & Associates An Accountancy Corporation." "Zinn & Associates, Inc." was incorporated
23 with the California Secretary of State's Office on March 11, 1999. "Neither "Zinn & Associates
24 An Accountancy Corporation," nor "Zinn & Associates, Inc." are registered with the Board.

25 f. Investigator O'Connor also received certificates of completion for
26 continuing education courses from Respondent. Respondent did not provide certificates for all
27 classes claimed on her February 28, 2002 renewal form. Respondent provided certificates to
28 support 24 hours of continuing education taken between March 1, 2000 and February 28, 2002,

1 80 hours of continuing education are required for active renewal. Respondent provided
2 certificates for 64 additional hours of continuing education, taken after February 28, 2002
3 (between April 8, 2002 and September 13, 2002). Respondent also provided certificates of
4 completion for 60 hours of continuing education taken between May 12, 2004 and September 27,
5 2004.

6 FIRST CAUSE FOR DISCIPLINE

7 (Practicing Public Accountancy Without Permit)

8 32. Respondent is subject to disciplinary action by the Board pursuant to
9 section 5100, subdivision (g), on the grounds of unprofessional conduct for violating section
10 5050, subdivision (a), in that she engaged in the practice of public accountancy during the
11 periods her certificate was in an expired (delinquent) status from March 1, 2002 through
12 February 27, 2003, and March 1, 2004 through April 20, 2005, as set forth above in paragraphs
13 12 through 31.

14 SECOND CAUSE FOR DISCIPLINE

15 (Name of Firm)

16 33. Respondent is subject to disciplinary action by the Board pursuant to
17 section 5100, subdivision (g), on the grounds of unprofessional conduct for violating section
18 5060, in that Respondent practiced public accountancy under the name of "Zinn & Associates
19 An Accountancy Corporation," a name not registered with the Board, as set forth above in
20 paragraph 31.

21 THIRD CAUSE FOR DISCIPLINE

22 (False Statements on Permit Renewal Application)

23 34. Respondent is subject to disciplinary action by the Board pursuant to
24 section 5100, subdivision (b), on the grounds of unprofessional conduct, in that Respondent
25 indicated on her February 28, 2002 renewal form dual dated September 15, 2002 and February
26 28, 2003, that she was not currently practicing public accountancy. There was no indication that
27 Respondent ceased practicing during this period, but rather that she carried on her practice as
28 normal.

1 FOURTH CAUSE FOR DISCIPLINE

2 (Dishonesty in the Practice of Public Accountancy)

3 35. Respondent is subject to disciplinary action by the Board pursuant to
4 section 5100, subdivision (c), on the grounds of unprofessional conduct, in that Respondent
5 presented herself to clients as a CPA and performed public accounting services when her license
6 was in an expired status, as set forth above in paragraphs 12 - 31.

7 FIFTH CAUSE FOR DISCIPLINE

8 (Obstruction of Investigation)

9 36. Respondent is subject to discipline under Code section 5100, subdivision
10 (g), in that she failed to comply with the requirement of California Code of Regulations, title 16,
11 section 52, subdivisions (a) and (d), in that Respondent failed to provide information to the
12 Board, and obstructed the Board's investigation, by failing to respond to letters from the Board
13 requesting information, and by failing to appear for a scheduled meeting with the Board's
14 investigator, as set forth above in paragraphs 13 through 17, 19 through 21, 24 through 26, and
15 28 through 30.

16 SIXTH CAUSE FOR DISCIPLINE

17 (Failure to Complete Continuing Education)

18 37. Respondent is subject to discipline under Code section 5100, subdivision
19 (g), in that she failed to comply with the requirement of California Code of Regulations, title 16,
20 section 87, subdivision (a), by failing to complete 80 hours of continuing education in the
21 two-year period immediately preceding her February 28, 2002 renewal, and by failing to
22 complete 80 hours of continuing education in the two-year period immediately preceding her
23 February 28, 2004 renewal, as set forth above in paragraph 31(f).

24 SEVENTH CAUSE FOR DISCIPLINE

25 (Failure to Comply with Rules and Regulations)

26 38. Respondent is subject to discipline under Code section 5100, subdivision
27 (g), in that she willfully failed to comply with Business and Professions Code, Division 3,
28 Chapter 1, (Bus. & Prof. Code § 5000, et seq.) and failed to comply with regulations promulgated

1 by the Board, when she practiced public accountancy without a valid permit in violation of
2 section 5050(a), practiced public accountancy under a corporation name not registered with the
3 Board in violation of section 5060, made a false statement or statements on her application
4 renewal in violation of section 5100(b), was dishonest in the practice of public accountancy in
5 violation of section 5100(c), failed to provide information to the Board and obstructed the
6 Board's investigation in violation of California Code of Regulations, title 16, section 52(a) and
7 section 52(d), and failed to complete the required hours of continuing education, in violation of
8 California Code of Regulations, title 16, section 87(a), as set forth above in paragraphs 12
9 through 37.

10 PRAYER

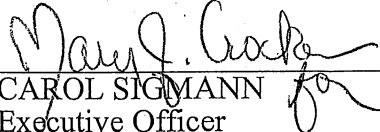
11 WHEREFORE, Complainant requests that a hearing be held on the matters herein
12 alleged, and that following the hearing, the California Board of Accountancy issue a decision:

13 1. Revoking, suspending, or otherwise imposing discipline upon Certified
14 Public Accountant Certificate No. CPA 64931, issued to Wendy Joanne Zinn;

15 2. Ordering Wendy Joanne Zinn to pay the California Board of Accountancy
16 the reasonable costs of the investigation and enforcement of this case, pursuant to Business and
17 Professions Code section 5107;

18 3. Taking such other and further action as the Board deems proper.

19 DATED: July 6, 2005

20
21 
22 CAROL SIGMANN
23 Executive Officer
24 California Board of Accountancy
25 Department of Consumer Affairs
26 State of California
27 Complainant